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August 22, 2000

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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AUG 22 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 94-129

Dear Ms. Salas:

Yesterday, Annette Cleckner, Karen Reidy and I of WorldCom met with Michelle Walters and Will Cox of the Common Carrier Bureau, Lorraine Miller, Roderick Porter and Roy Kolly of the Consumer Information Bureau and Cathy Seidel and Kurt Schroeder of the Enforcement Bureau regarding the above referenced matter.

In the meeting we discussed WorldCom's view of the impact of the new anti-slamming rules on all parties – consumers, carriers and regulators. The attached presentation was the basis of the discussion.

In accordance with section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), an original and one copy of this memorandum are being filed with your office.

Sincerely,

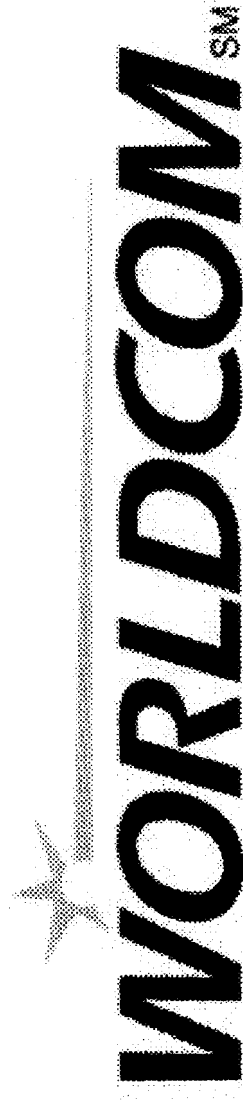


Bradley Stillman

cc: Michelle Walters
Will Cox
Lorraine Miller
Roderick Porter
Roy Kolly
Cathy Seidel
Kurt Schroeder

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Implementation of Anti-Slamming Rules

August 23, 2000

Obligations Under Current Slam Complaint Process Provide Variable Outcomes for Consumers

State Agency	<ul style="list-style-type: none">• Investigates complaints• Various state regulations/remedies
FCC	<ul style="list-style-type: none">• Processes complaints• No specific consumer remedy
Unauthorized Carrier	<ul style="list-style-type: none">• Complies with various state findings• Credits per company policy
Authorized Carrier	<ul style="list-style-type: none">• Restores consumer to plan• Receives no remunerations
LEC	<ul style="list-style-type: none">• Changes PIC and credits consumer under “no fault”
Consumer	<ul style="list-style-type: none">• Relief varies

New FCC Rules Transform Roles of Each Entity Within Complaint Process

State Agency

- Adjudicates complaints and orders remedies consistent with FCC rules

FCC

- Adjudicates complaints where state agency did not opt-in

Unauthorized Carrier

- Has option to satisfy customer and stop billing
- Notifies consumer of rights
- Forwards payment/bill records*

Authorized Carrier

- Notifies consumer of rights
- Collects payment and bill records*
- Settles with customer*

LEC

- Notifies consumer of rights
- Notifies unauthorized and authorized carriers of complaint

Consumer

*assumes slam finding

- Has 30 days to file complaint

Opt-In States Assume Much Larger Role Under New Rules

State agencies administering rules must perform the following functions:

- Notify alleged unauthorized carrier of complaint
- Ensure unauthorized carrier removes unpaid charges from bill
- Determine if slam has occurred
 - Determine which carrier originated the PIC change
 - Review proof of verification by carrier
 - Review evidence supplied by subscriber
- Issue order if slam is found
- Handle fact-finding challenges from unauthorized carrier
- Receive reports from authorized carriers if payment from unauthorized carrier not received
- Report number of cases/carrier statistics to FCC

LEC Responsibility Under New Rules Changes from Settlement to Notification

- Notification
 - LEC to provide the notification to:
 - Alleged unauthorized carrier and authorized carrier of complaint
 - Subscriber of right to file a complaint with the state agency
- “No Fault” PIC dispute process
 - If LEC handles complaint under “no fault”:
 - Consumer could be inadequately credited if LEC gives credit based on charges visible to LEC
 - Unbilled calls could be billed subsequently
 - If consumer files a complaint, likely to receive double credit
- Volume
 - LEC notification of rights most likely will send more alleged slam complaints to Commissions
 - Dispute volume no longer handled through “no fault” could overwhelm Commissions

Authorized Carrier Entitled to Remuneration Under New Rules

- In instances in which state (or FCC) finds slam to have occurred, authorized carrier
 - Restores customer to premium programs
 - Receives billing records and payment from unauthorized carrier
 - Refunds/credits subscriber for 1/3rd of amount received from unauthorized carriers
- If subscriber demands re-rating, act on his behalf to get difference from unauthorized carrier
- Entitled to bill subscriber for 50% of unpaid charges or bill re-rated charges
 - Can not collect on “absolved” charges